



State of Utah

Department of
Natural Resources

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Division of
Oil, Gas & Mining

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Lieutenant Governor

September 20, 2004

Mr. James Lekas
Lexco, Incorporated
P. O. Box 1198
582 North Vernal Avenue
Vernal, Utah 84078

Subject: Mine Plan Amendment, Lexco, Cottonwood Mine, S/047/064, Uintah
County, Utah

Dear Mr. Lekas:

Thank you for sending us a copy of your plan to construct three new shafts at your Cottonwood Mine associated with Federal Gilsonite lease UTU-72699.

After doing a cursory review, it appears this new disturbance would necessitate a change in the classification of your mine to a large mine (over five acres); however, if the disturbance was done incrementally, the site could probably remain as a small mine. It appears the disturbance from each site would be about one acre for a total of five acres. You have also proposed 4000 feet of 18-foot-wide roads which is about 1.6 acres, so the total disturbance from the mine would be 6.6 acres.

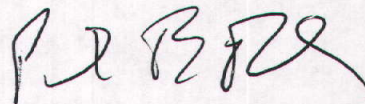
If you were to construct the new mine sites one at a time and reclaim the old ones as you go, the current disturbance could remain under five acres. I suggest, however, that you proceed with permitting the entire area. An application for a large mine does require some baseline information, and the annual permit fee is \$500 instead of \$150.

Please let me know if you would like us to treat this as a large mine application or as a Notice of Intention to Revise Small Mining Operations. If you would like to convert your operation to a large mine, we will need to receive an additional \$350 for the permit fee. We will then review your plan as submitted and let you know if additional information is needed.

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Jim Lekas
S/047/064
September 20, 2004

We will suspend our review until we have heard how you would like us to proceed. Thank you for your cooperation. Please call me at 801-538-5261 if you have questions about this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written in a cursive style.

Paul B. Baker
Senior Reclamation Biologist
Minerals Regulatory Program

PBB:jb
cc: Stan Perkes, BLM State Office
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